



July 21, 2015

VIA ELECTRONIC FILING

Jocelyn Boyd, Chief Clerk/Administrator
Public Service Commission of South Carolina
Synergy Business Park, Saluda Building
101 Executive Center Drive
Columbia, SC 29210

Frank R. Ellerbe, III
1901 MAIN STREET, SUITE 1200
POST OFFICE BOX 944
COLUMBIA, SOUTH CAROLINA 29202
PH
(803) 779-8900 | (803) 227-1112 *direct*
FAX
(803) 744-1556
fellerbe@robinsonlaw.com

**RE: Duke Energy Progress, Inc.'s Application to Establish a New Cost Recovery and Incentive Mechanism for Demand-Side Management and Energy Efficiency Programs
Docket No. 2015-163-E**

Dear Ms. Boyd:

In this proceeding, Duke Energy Progress Inc. ("DEP") has filed an application ("Application") seeking approval of a new cost recovery mechanism for its Demand-Side Management ("DSM") and Energy Efficiency ("EE") Programs ("Mechanism"). DEP has conducted discussions with all parties to this proceeding about the proposed Mechanism, and as a result of those discussions, DEP has committed to supplement the Application to include several additions, which are set forth in detail below. It is the Company's understanding that with these additions, all parties will either affirmatively support or have no objection to the proposed Application and Mechanism. By submission of this letter, DEP hereby requests the Commission incorporate the provisions included in this letter as part of its Application, and further requests that Commission approve the Application, subject to those additions.

Additions to Application

1. DEP shall file for Commission approval, any program additions or terminations, and it will seek Commission approval for any program modifications that result in a variation (positive or negative) greater than twenty percent (20%) of a program's approved participant incentives or forward-looking annual energy savings (calculation excludes impacts of EM&V results). All proposed modifications resulting in variations below this threshold will be made in the Company's discretion and filed with the Commission for notice purposes.

2. DEP will, in the 2015 third (3rd) quarter Collaborative meeting, initiate discussions regarding the recognition of possible non-energy benefits of low-income energy efficiency programs.

3. DEP will introduce for discussion in the Collaborative, a “self-directed” energy efficiency program for non-residential customers, with the intention of evaluating and developing a program to file for approval for DEP customers in South Carolina in the future. DEP will report the results of its evaluation and development efforts relating to a self-direct program in its 2016 annual DSM/EE rider filing.

4. DEP will initiate discussion in the Collaborative regarding its current accounting and cost reporting practices and any incremental changes, including additional cost categories that may be made to program cost reporting to add further detail.

Based on our discussions with the representatives of the parties to this proceeding, it is the Company’s understanding that with the incorporation of the additions to the Application set forth herein, there will not be any opposition to the Application, as supplemented. By copy of this letter, DEP requests the parties to confirm that understanding by writing the Commission. Once the other parties have indicated their support of the Application, as supplemented, the Company respectfully renews its request that the Commission waive notice and hearing in this proceeding, and move forward to approve the Application, inclusive of the additional provisions.

Thank you for your attention to this matter and the Company’s requests. Please let me know if there are any questions.

Yours truly,

ROBINSON, MCFADDEN & MOORE, P.C.



Frank R. Ellerbe, III

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Enclosures

cc w/enc: Shannon B. Hudson, Deputy Director Legal Services–Office of Regulatory Staff (via email)
Andrew Bateman, Counsel - Office of Regulatory Staff (via email)
Stephanie U. Roberts, Esquire (via email)
Derrick Price Williamson, Esquire (via email)
Michael K. Lavanga, Esquire (via email)
Gudrun Thompson, Esquire (via email)
J. Blanding Holman, IV, Esquire (via email)
Charles A. Castle, Associate General Counsel (via email)